

SUMMARY

The Office of Natural Gas & Petroleum Import & Export Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the first quarter of 2000 (January through March).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the 5 most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price data for gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

First Quarter Highlights: As illustrated below, there were notable changes in activity compared to the first quarter of 1999.

Canadian Imports	891.4 Bcf	up 5%
LNG Imports	37.8 Bcf	down 3%
Mexican Imports	4.0 Bcf	down 60%
Total Imports	933.2 Bcf	up 4%
Mexican Exports	20.1 Bcf	up 31%
Canadian Exports	25.1 Bcf	up 132%
Japanese Exports	14.9 Bcf	down 11%

See details below for more information.

The Maritimes & Northeast Pipeline (Maritimes) became operational on January 1, 2000. Maritimes connects the gas supplies from the Sable Island Offshore Energy Project in Nova Scotia to markets in the Atlantic Provinces and New England. It crosses the international border at St. Stephen, New Brunswick and Calais, Maine. During the first quarter, 4 companies imported approximately 14,112 MMcf on this pipeline. Maritimes has a daily pipeline capacity of 440 MMcf at the international border and by March, the average daily throughput reached approximately 282 MMcf.

During the first quarter, 3 importers of LNG (Distrigas Corporation; Duke Energy LNG; and CMS Marketing, Services and Trading Company) brought in 5 spot cargoes from 3 different countries (Algeria, Qatar, and Trinidad), totaling 8.0 Bcf.

First Quarter Data: Comparing first quarter 2000 to first quarter 1999 data, total imports under long-term contracts decreased. Of this total, there were declines in both long-term Canadian imports and long-term LNG imports. Specifically, **natural gas imports under all long-term contracts** totaled 376.9 Bcf, compared to 382.0 Bcf in the first quarter of 1999. Of this total, **long-term Canadian imports** fell less than one percent (347.2 v. 349.2 Bcf). The average price of this gas was \$2.57 per MMBtu, which is just one cent higher than the preceding quarter and 56 cents or 28 percent higher than the first quarter of 1999. **Long-term LNG imports** decreased 9 percent (29.8 v. 32.8 Bcf). Under **LNG long-term imports**, Distrigas imported 8.9 Bcf from Algeria at an average price of \$3.02 per MMBtu and 16.3 Bcf from Trinidad at \$2.80 per

MMBtu. Duke imported 4.6 Bcf from Algeria at \$2.00 per MMBtu.

During the first quarter, 88 companies used **short-term authorizations to import** 556.2 Bcf, which is a 7.6 percent increase over the first quarter of 1999 (516.8 Bcf). Of this total, 544.3 Bcf was **imported from Canada** at an average price of \$2.43 per MMBtu, compared to 500.5 Bcf at \$1.76 in the first quarter of 1999, and 540.2 Bcf at \$2.47 in the previous quarter. **Imports from Mexico** totaled 4.0 Bcf at an average price of \$2.36, compared to 10.0 Bcf at \$1.71 in the first quarter of 1999 and 13.9 Bcf at \$2.31 last quarter. **Short-term LNG imports** totaled 8.0 Bcf for the quarter, compared to 20.8 Bcf last quarter. Under short-term LNG import contracts, Distrigas imported 4.4 Bcf from Trinidad at an average price of \$2.82 per MMBtu. Duke imported 0.5 Bcf from Algeria at \$2.00 per MMBtu. CMS imported 2.4 Bcf from Qatar at \$2.48 per MMBtu and .6 Bcf from Trinidad at \$2.68 per MMBtu.

Approximately 30 percent of the **short-term Canadian imports** occurred at Eastport, ID at an average price of \$2.26 per MMBtu; 24 percent at Port of Morgan, MT at \$2.31; 12 percent at Sumas, WA at \$2.35; 12 percent at Noyes, MN at \$2.52; 12 percent at Niagara Falls, NY at \$2.75; 4 percent at Waddington, NY at \$2.86; 2 percent at Grand Island, NY at \$2.77; 2 percent at Calais, ME at \$2.66; and 2 percent at other entry points at \$2.82.

In addition, 16 **short-term export** authorizations were used, exporting a total of 45.2 Bcf of gas. Eleven companies exported 25.1 Bcf to Canada, at an average price of \$2.61 per MMBtu. Five companies exported 20.1 Bcf to Mexico at \$2.60 per MMBtu. Finally, 14.9 Bcf of LNG was exported to Japan at \$4.05 per MMBtu (delivered).

Year to Date Data: Comparing the first 3 months of 2000 with the first 3 months of 1999, total gas imports increased 4 percent (933.2 v. 898.8 Bcf) and total gas exports increased 40 percent (60.1 v. 42.8 Bcf). Canadian imports increased by 41.6 Bcf or 5 percent (891.4 v. 849.8 Bcf); Mexican imports decreased 60 percent (4.0 v. 10.0 Bcf); and LNG imports decreased 3 percent (37.8 v. 39.0 Bcf). Exports to Canada increased 132 percent (25.1 v. 10.8 Bcf) and exports to Mexico increased 31 percent (20.1 v. 15.3 Bcf). LNG exports to Japan decreased 11 percent (14.9 v. 16.7 Bcf).

This quarter's **focus report** is "1999 Natural Gas Import/Export Trade: A Second Look." The data used in this **focus report** differs slightly from the data found in last quarter's "1999 Year In Review" **focus report** due to late company revisions, most notably by Duke Energy Trading and Marketing, L.L.C. These revisions resulted in an increase in gas imports from Canada of 36.1 Bcf in 1999; gross Canadian gas imports for the year now total 3.3675 Tcf. We apologize for any inconvenience that this may have caused. The quarterly report and future revisions to the report will reside on our Electronic Bulletin Board at (202) 586-7853 and on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Regulatory - Natural Gas). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.